COUNTERVAILING EFFECTS OF INNOVATION PROACTIVENESS IN SMES (SUMMARY)

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SUMMARY
COUNTERVAILING EFFECTS OF INNOVATION PROACTIVENESS IN SMES

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Principal Topic

This research is concerned with the question of opportunity recognition as a repetitive process to improve a project’s value proposition during its implementation. The management of projects is challenged with managing uncertainties (Chapman and Ward 2000; Jaafari 2001; Ward, Chapman 2003; Perminova et al. 2008). Uncertainties pose the potential for entrepreneurial opportunities to create entrepreneurial profit (Schumpeter 1934; Knight 1948; Kirzner 1973, 1997). The role connected with the process to discover and exploit opportunities in situations of project uncertainty is the project manager who acts to some extent like an intrapreneur. The main question is if entrepreneurial mindsets of project managers have an impact on project success.

Method

A survey instrument was developed to measure a project manager’s entrepreneurial mindset. Data were collected from many different projects across a variety of industries in the U.S.. The total sample obtained is 596 questionnaires that include responses from 387 core team members, 114 project managers and 95 senior managers. A structural equation model was estimated to analyze simultaneously the effects of a project manager’s mindset to exploit opportunities and the exploited opportunities on the achieved project value.

Results and Implications

The findings suggest that some project managers are taking an entrepreneurial role by seeking out for opportunities. By doing so, they achieved much better results than others who did not seek and exploit opportunities. The structural equation model demonstrates that a project manager’s entrepreneurial mindset is partially mediated by the frequencies of exploited opportunities.

In examining the data of 114 projects, we were surprised to identify two different groups of opportunities exploited during the project implementation. One group of opportunities is related to the classical project performance indicators (schedule, budget, scope). The other group of opportunities is related to the creation of value for the different stakeholder groups beyond the TC-paradigm. Both groups of opportunities presented different correlation levels with the achieved project success, suggesting that the nature or Gestalt of opportunities, as they occur during the project implementation, are important for improving project value.

From a theoretical perspective this research contributes to both the intrapreneurship and project management discourse. The empirical results demonstrate that it is fruitful to integrate theoretical arguments and constructs of the entrepreneurship research field into the project management discourse. But they add also a new perspective to the intrapreneurship literature by demonstrating that opportunity recognition and exploitation for uncertain tasks is an ongoing process.

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